



November 8, 2012

Edward D'Arezzo  
Associate Director  
Environmental & Health Services Regulation  
Rhode Island Department of Health  
Three Capitol Hill  
Providence, RI 02908-5097

**VIA HAND DELIVERY**

Dear Mr. D'Arezzo:

On behalf of the Thomas C. Slater Compassion Center, we are pleased to respond to your letter dated September 10, 2012 regarding our request to locate our facility at One Corliss Street in Providence. As you review the appropriateness of the One Corliss Street location, we have updated the responses to the following questions from the Department's application form {#2, 3, 4, 5, 9, 10, 11(B), 12, 16, and 18}. Answers to these questions appear on the following pages.

We appreciate your consideration of this requested new location. We believe that the location at One Corliss Street provides an even greater level of convenience for patients in the state's medical marijuana program. We have maintained our commitment to situating our facility in the City of Providence, and the new location is less than one mile away from our originally planned building.

If you have any questions regarding the answers provided with this letter, please do not hesitate to contact me at 401-641-0169 or by email at [gmcgraw@slatercenter.com](mailto:gmcgraw@slatercenter.com).

Sincerely,

Gerald J. McGraw, Jr.  
Executive Director

**Submission to Rhode Island Department of Health  
Change of Address Request  
The Thomas C. Slater Compassion Center  
1 Corliss Street, Providence RI 02904**

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**Note: Confidential information related to the security plan (in the Business Plan and Attachments D and G) has been redacted.**

QUESTION 2: *Provide the proposed physical address(es) of the compassion center, if a precise address has been determined. This shall include any additional address(es) to be used for the secure cultivation of medical marijuana. If a precise address has not been determined, identify the general locations(s) where it would be sited, and when.*

Question 2 Response

Proposed Physical Address:

1 Corliss Street, Providence, RI 02904

Attachment A: Lease Agreement

QUESTION 3: *Provide evidence of compliance with the local zoning laws for each proposed physical address to be utilized as a compassion center or for the secure cultivation of medical marijuana.*

Question 3 Response

The proposed compassion center dispensary location at 1 Corliss Street in Providence is located in the M-1 Industrial District. According to the City of Providence Zoning Ordinance (Chapter 1994-24 No. 365, Effective June 27, 1994), the M-1 zone is “intended for general industrial uses that accommodate a variety of manufacturing, assembly, storage of durable goods and related activities provided that they do not pose toxic, explosive or environmental hazard in the City.”<sup>1</sup>

While the proposed use of the Center is not explicitly addressed in the Zoning Ordinance, the M-1 zone permits the proposed use to be provided by the Center.

*Use Code 36 - Open Space:* This use code includes crop or tree farming. Though conducted indoors, growing of the product could reasonably be considered crop farming, which is allowed in the M-1 zone.

*Use Code 57 – Retail Trade – Community Wide establishments, more than 2,500 SF GFA:* Approximately 5,000 square feet are expected to be set aside for retail purposes, permitted in the M-1 zone.

Attachment B: Correspondence from City of Providence Department of Inspections and Standards; Zoning Map

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<sup>1</sup> Providence, Rhode Island, Code of Ordinances, Chapter 27 § 101.4.

QUESTION 4: *Provide evidence that all of the proposed physical addresses identified in Question 2 are not located within five hundred feet (500') of the property line of a preexisting public or private school.*

Question 4 Response

Throughout the site selection process, the Center considered community safety a top priority. In doing so, the Center made certain that its site not be located within 1,000 feet of the property line of a preexisting public or private school. A Neighborhood Context Map included with this application shows that there are no educational facilities located within 1,000 feet of the property line for the Center. The nearest public or private schools to the 1 Corliss Street location are Times2 Academy (2,153 feet away) and the Dr. Martin Luther King Jr. School (2,717 feet away).

Attachment C: Neighborhood Context and Vicinity Map. Correspondence from City of Providence Department of Economic Development.

QUESTION 5: *Provide a description of the proposed enclosed, locked facility that would be used in the cultivation of marijuana, including steps to ensure that the marijuana production shall not be visible from the street or other public areas.*

Question 5 Response

The Center facility is approximately 13,750 square feet of manufacturing space. Approximately 5,000 square feet will be used solely for retail purposes. All cultivation will take place within 5,600 square feet of manufacturing space located in the rear of the facility with no pedestrian access. The size of the cultivation area allows for the initial demand of patients to be easily met, at least through the end of calendar year 2013. The inside of the cultivation facility is not visible from outdoors.

The facility will be a “closed” system, with strict environmental control. The facility will employ negative air pressurization to eliminate air exchange from the cultivation area to the dispensary. All exhausted air will be emitted from the building after undergoing carbon (charcoal) filtration and ozone treatment for the neutralization of odor (volatile organic compounds) to ensure no “telltale” odors are emitted to the outside.

Based on specific security requirements, a comprehensive security system has been designed to monitor and protect all potential areas where a compromise to the integrity of the building might occur, with particular emphasis on safeguarding the growth, production, storage, handling and distribution of the product. These areas will be continually monitored and recorded via intrusion detection devices, surveillance cameras and 24-hour security guard presence.

Secondly, access control, which is the monitoring of who goes where and when, is an integral part of the facility’s security system. In order to ensure internal security, staff members will be assigned individual photo IDs that, based on their individual security clearance, will either grant or deny entry into sensitive areas. This will also allow for a very effective audit trail of all company personnel. Non-company personnel can be denied access through the facility, unless escorted by an authorized employee. Biometric locks will be used for all high security areas. Lastly, a comprehensive security management system will provide compliance, operational efficiency and audit control over the Center’s security and business operations.

The dispensary portion of the Center will include all of the security controls of the cultivation area. A detailed explanation of these security measures is found in the Center’s Security Plan. A rendering of the proposed interior layout for the dispensary are included in Attachment D for review.

Attachment D: Facility Floor Plan

QUESTION 9: *Provide a list of all persons or business entities having five percent (5%) or more ownership in the compassion center, whether direct or indirect and whether the interest is in land or building, including owners of any business entity which owns all or part of the land or building.*

Question 9 Response

The Center is a Rhode Island-based nonprofit entity governed by a community board of directors. The Center will lease the building for the compassion center. The owner of the property is Sigal Holdings LLC, Jon R. Levine, Manager (property at 1 Corliss Street, Providence).

QUESTION 10: *Provide the identities of all creditors holding a security interest in the premises, if any.*

Question 10 Response

The Center will lease its property from Sigal Holdings LLC. No creditors hold a security interest in the premises.



QUESTION 11:

*B. Please provide a business plan that includes, at minimum, the following:*

- i. A detailed description about the amount and source of the equity and debt commitment for the proposed compassion center;*
- ii. The immediate and long-term financial feasibility of the proposed financing plan;*
- iii. The relative availability of funds for capital and operating needs; and*
- iv. The applicant's financial capability.*
- v. A copy of your proposed policy regarding charity care/servicing indigent patients.*
- vi. Please complete the following projected income statement for the first three (3) years after implementation. Round all amounts to the nearest dollar.*
- vii. Please identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) required to staff the proposed compassion center.*

Question 11B Response

A detailed description about the amount and source of the equity and debt commitment for the proposed compassion center can be found in the attached business plan as well as the long-term financial feasibility of the proposed financing plan, availability of funds for capital and operating needs, and the Center's financial capability (includes projected income statements for the first three years). Also included is the Center's proposed policy regarding charity care and staffing plan.

THE ANSWER TO THIS QUESTION HAS NOT CHANGED SINCE THE ORIGINAL SUBMISSION WITH THE EXCEPTION OF THE PROPOSED NEW ADDRESS OF THE COMPASSION CENTER, AND NEW DATES FOR PROJECTED INCOME STATEMENTS.

Attachment E: Thomas C. Slater Compassion Center Business Plan

QUESTION 12: *Document how your proposed location for a compassion center is convenient to patients from throughout Rhode Island.*

Question 12 Response

Situated in Rhode Island's most populous city, the Center's Providence location is ideal for serving all of the patients in the Rhode Island medical cannabis program. The majority of Rhode Island's residents live in Providence County, which surrounds the city of Providence. The location at 1 Corliss Street provides easy access from public transportation lines as well as immediate access from Interstate-95 (Charles Street Exit from the North or Charles Street/State Offices Exit from the South), with at least 60 spaces available for parking at the facility.

The location can be accessed by the state's public transportation system (the Rhode Island Public Transit Authority): Outbound Bus from Kennedy Plaza #53 (Smithfield Avenue), Inbound Bus from Pawtucket Transit Center #72 (Weeden/Central Falls). Bus lines are available seven days a week.

Attachment F: Location Convenience Maps

*QUESTION 16: Provide an acceptable safety and security plan, including staffing and a detailed description of proposed security and safety measures which demonstrate compliance with §5.1.7 of the Rules and Regulations Related to the Medical Marijuana Program [R21-28.6-MMP]. The description should include a detailed floor plan for the compassion center, as well as each additional address to be used for the secure cultivation of medical marijuana, which indicates location and make/model # of security devices utilized.*

*Provide a plan to involve and coordinate with local law enforcement authorities on security and safety issues, and identify the law enforcement officials contacted during the development of this plan.*

#### Question 16 Response

The Center has contracted with security professionals, led by Raymond S. White, recently retired Lieutenant Colonel of the Rhode Island State Police to ensure adequate safety and security measures for the facility. Lt. Col. White developed an addendum to the existing security plan for the Thomas C. Slater Compassion Center tailored specifically for the proposed new location at 1 Corliss Street in Providence.

Based on specific security requirements, a comprehensive security system has been designed to monitor and protect all potential areas where a compromise to the integrity of the Center building might occur.

The principal concept of securing the Center focuses on the following three areas:

1. Safeguard the growth, production and storage of the medicine.
2. Provide a safe and secure environment for the Center's staff, patients and visitors.
3. Develop comprehensive audit procedures for the entire operation as related to the handling and distribution of the medicine.

The addendum to the security plan is included in this submission along with the previously submitted plan from December, 2010.

Attachment G: Thomas C. Slater Compassion Center Security Plan Addendum (for 1 Corliss Street, Providence, RI)

QUESTION 18: *Input from registered qualifying patients, registered primary caregivers, and the towns or cities where the applicants would be located.*

Question 18 Response

THE ANSWER TO THIS QUESTION HAS NOT CHANGED FROM THE ORIGINAL APPLICATION. THE ONLY EXCEPTION IS A LETTER OF SUPPORT FROM THE CITY OF PROVIDENCE'S DEPARTMENT OF ECONOMIC DEVELOPMENT (attached).

Attachment H: Letter from City of Providence Department

## MEMORANDUM OF LEASE

This Memorandum of Lease is made and entered into this 15<sup>th</sup> day of November, 2012 by and between Sigal Holdings, LLC, a Massachusetts Limited Liability Company (hereinafter referred to as "Landlord") and Thomas C. Slater Compassion Center, Inc., a Rhode Island Non-Profit Corporation (hereinafter referred to as "Tenant").

WHEREAS, Landlord does hereby lease and demise to Tenant and Tenant hereby leases from Landlord certain Premises ("demised premises") located in Providence, Rhode Island more particularly described on Exhibit A, which is attached hereto and incorporated herein by reference upon and in accordance with all the terms and conditions set forth in that certain Lease dated October 17, 2012 ("Lease"); and

WHEREAS, Landlord has delivered to Tenant and Tenant has accepted from Landlord the demised premises and the parties hereto desire to reduce certain terms of the Lease to writing and to give record notice of the Lease in the rights created thereby.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The initial term of the Lease shall commence on the Commencement Date (as defined in the Lease) and shall expire, unless extended thereon, provided, on the last day of the fifteenth (15<sup>th</sup>) year and two (2) months (as defined in the Lease).
2. Subject to the terms of the Lease, Tenant has the option to extend the initial term of the Lease for one (1) five (5) year option term commencing at the time of the expiration of the initial term, with written notice to Landlord of the exercise of the option, no later than one hundred eighty (180) days prior to the expiration of the initial term.
3. The Lease contains numerous other terms, covenants and conditions which affect the Leased Premises and notice is hereby given that reference should be made to the Lease directly with respect to the details of such terms, covenants and conditions.

This Memorandum does not alter, amend, modify or change the Lease in any respect. This Memorandum is executed by the parties solely for the purpose of recordation in the Real Estate Records of the City of Providence, Rhode Island and it is the intent of the parties that it shall be so recorded and shall give notice of the Lease and all of its terms, covenants and conditions, all of which are hereby incorporated by reference in this Memorandum.

In the event of any conflict or inconsistency between the provisions of the Lease and this Memorandum, the provisions of the Lease shall control and be binding upon the parties.

In witness whereof, the parties have executed this Memorandum of Lease as of the date first written above.



Jessica Pence  
WITNESS

Sigal Holdings, LLC

By: Jon R. Levine, manager

Christopher W. Ryz  
WITNESS

Thomas C. Slater Compassion Center, Inc.

By: Gerald J. McGraw, Jr.

# Attachment B - Correspondence from City of Providence



## Department of Inspection and Standards

Angel Taveras, Mayor  
Jeffrey L. Lykins, RA, Director

### ZONING CERTIFICATE

The 29<sup>th</sup> of May 2012

Mr. Gerald J. McGraw Jr.  
Executive Director  
Thomas C. Slater Compassion Center  
c/o 10 Bayamo Lane  
Cranston, Rhode Island 02905

**Re: Request for Zoning Certificate  
1 Corliss Street, AP 2, Lot 603**

Dear Mr. McGraw:

I am in receipt of your letter dated June 11, 2012, requesting a determination of the Providence Zoning Ordinance (the "Ordinance").

Based on my review of the Ordinance and information provided by you, I have determined the following:

- (1) The property located at 1 Corliss Street, being further identified as AP 2, Lot 603 (the "Property"), is located in a M1 Zone Industrial District. Lot Square footage is 51,130sf. Current Use of record: Warehouse and Office Building.
- (2) Of the uses requested: use codes 36, and 57.
  - a. Use code 36 Open Space: is Allowed
  - b. Use code 57 Retail Trade (>2,500sf): is Allowed
- (3) Any new use/change of use will require meeting all dimensional and parking regulations.

If you have any further questions please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey L. Lykins'.

Jeffrey L. Lykins, RA  
Director

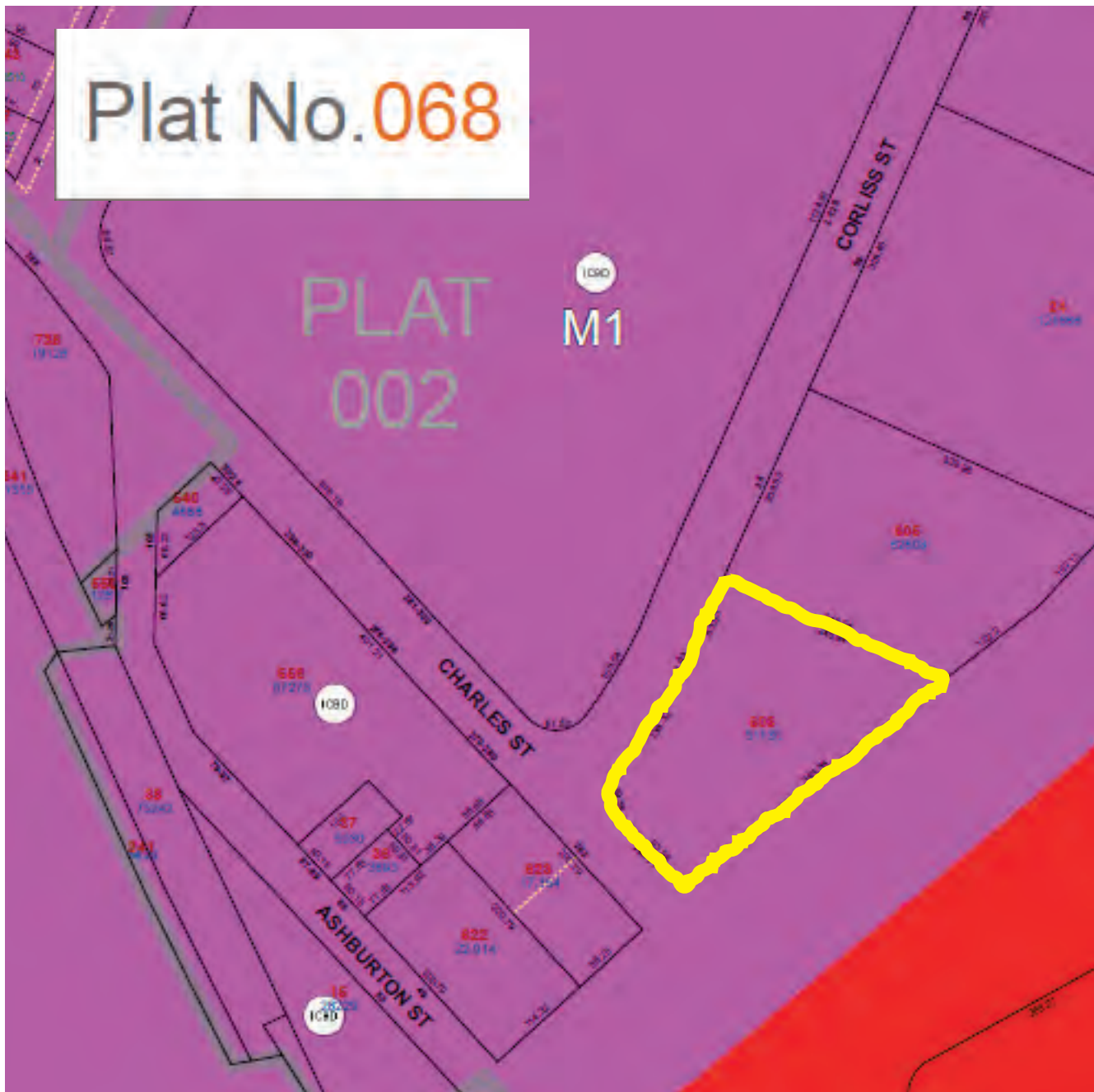
F:\DIS\Apex1\Zoning\Corliss Street 1\Zoning letter - 1 Corliss Street P2L603 - Chris Reilly 2012-06-18.doc

Mayor Joseph A. Doorley Municipal Building  
444 Westminster Street | Providence, Rhode Island 02903 | 401-680-5201v | 401-680-5481f  
[www.providenceri.com](http://www.providenceri.com)

B



## Attachment B - Zoning Map



B

1 Corliss Street Providence, RI  
Lot 603 (property line highlighted in yellow)  
Located within M1 (Industrial) District



**ZONING MAP**  
Plat No. **068**

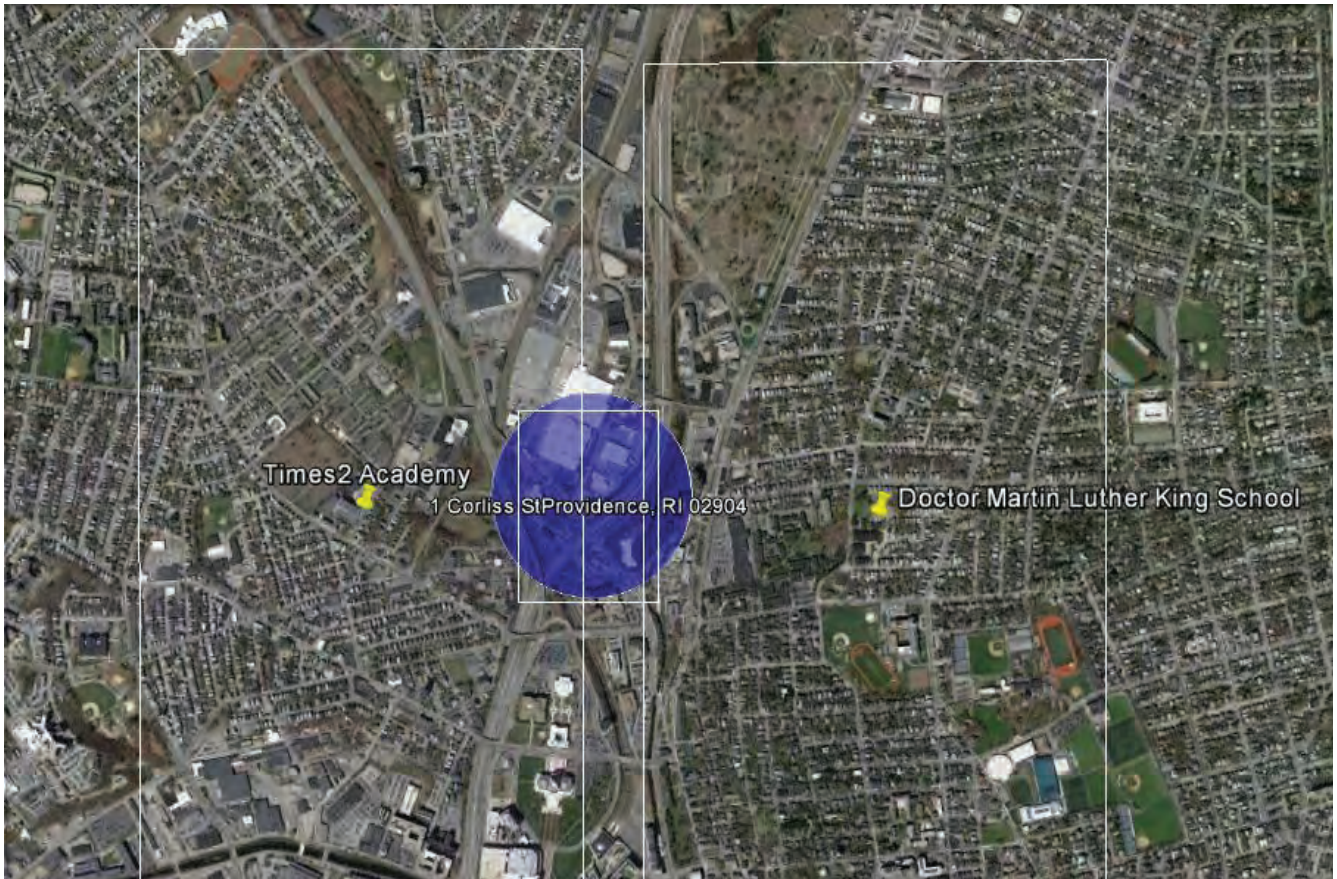
**PROVIDENCE** THE CREATIVE CAPITAL

DEPARTMENT OF PLANNING AND DEVELOPMENT



## Attachment C - Neighborhood Context & Vicinity Map

*(Evidence of 1 Corliss Street Not Being Within 1,000 Feet of School)*



Blue Circle represents 1,000 feet radius from center (1 Corliss Street, Providence, RI 02904)

2,153 feet – Times2 Academy: 50 Fillmore Street, Providence, RI

2,717 feet – Dr. Martin Luther King School: 35 Camp Street, Providence, RI

# Attachment C - Correspondence From City of Providence

(Evidence of 1 Corliss Street Not Being Within 1,000 Feet of School)



City of Providence

Angel Taveras, Mayor | James Bennett, Director

June 25, 2012

Mr. Gerald J. McGraw, Jr.  
150 Union Street #206  
Providence, RI 02903

Dear Mr. McGraw:

I am writing to offer this letter of support for your proposed compassion center in the City of Providence at One Corliss Street. As the State of Rhode Island has passed a law allowing for the creation of three of these facilities, I am pleased that you have chosen to operate your business in the City of Providence.


I understand that you have committed to operating a facility that will provide medicine for patients suffering from diseases like cancer, AIDS, multiple sclerosis, and other debilitating conditions. Medicine will be cultivated at your facility under the stringent guidelines set forth in Rhode Island General Law with proper oversight from the RI Department of Health and the RI State Police. When fully operational, your center will employ over 40 individuals in positions like retail sales, cultivation, packaging/merchandising, security, and business office functions. These jobs are a welcome addition to our City's economy.

I am encouraged that along with your plans for job creation, your center will contribute to the economy through payment of state and local taxes. I am further appreciative of your stated commitment to support local causes in Providence, including charitable organizations situated in the North End neighborhood.

Your proposed location at One Corliss Street in Providence is an appropriate location for this type of business. The location has on-site parking for 60 cars, and the building is situated in the M1 zone. There are no elementary or secondary schools within 1,000 feet of the location, and the convenience of the proposed facility to Interstate 95 and city bus lines is advantageous to patients.

I am excited at the prospects of the 40 jobs that will be developed as your project takes shape. I look forward to working with you and your team to ensure that the coordination with City departments and agencies is seamless.

Sincerely,

  
James S. Bennett  
Director

DEPARTMENT OF ECONOMIC DEVELOPMENT

444 Westminster Street | Providence, Rhode Island 02903 | 401 680 8541 OFFICE | 401 680 8493 FAX  
[www.providenceri.com](http://www.providenceri.com)

C

# Thomas C. Slater Compassion Center



## **BUSINESS PLAN**

Revised 9/25/12

Providence, Rhode Island

## Confidentiality Agreement

The undersigned reader acknowledges that the information provided by the Thomas C. Slater Compassion Center in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of the Thomas C. Slater Compassion Center.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to the Thomas C. Slater Compassion Center.

Upon request, this document is to be immediately returned to the Thomas C. Slater Compassion Center.

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Signature

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Name (typed or printed)

---

Date

This is a business plan. It does not imply an offering of securities.

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## 1.0 Executive Summary

### 1.1 Overview

The Thomas C. Slater Compassion Center (the “Center”) plans to open its doors in late 2012 or early 2013 after it is duly licensed by the State of Rhode Island. Like many dispensaries, the Center will provide medical cannabis to approved patients. Unlike some dispensaries, however, we see our mission extending well beyond simply providing medicine. We seek to help our members improve their quality of life, so our greater focus is on their *wellness*—not simply helping them alleviate a painful or chronic condition.

When open, the Center will be a clean, modern facility that emphasizes health and wellness. We will grow and dispense safe, high-quality products that are professionally processed, packaged and presented to patients in a compassionate, service-focused environment. Staff will be well trained, and strive to serve members courteously, responsively and always with their dignity in mind.

In addition to medicine, we will offer services that help patients manage pain, improve physical conditioning, reduce stress and adopt better nutritional practices. Products and services will be offered regardless of patients’ ability to pay, so no one in need is ever turned away.

While delivering on our mission as a non-profit organization, we are mindful that we must remain legally compliant, financially sound and responsive to the community in which we operate.

This plan represents a realistic and achievable vision of what Rhode Island’s model medical cannabis dispensary can be.

### 1.2 Objectives

During the first year, business goals for the Center are to:

1. Open the Thomas C. Slater Compassion Center and serve an average of 550 patients per month during the first six months of operation.
2. Generate at least \$121,403 in average monthly revenue by the end of the first full year with sales from a combination of medicine in various forms.
3. Increase revenue from \$1.4 million in the ramp-up period to \$3.9 million by 2013.
4. Hire employees who are happy, motivated and actively contribute to a good working atmosphere for patients and other employees.
5. Develop and maintain a loyal patient following.
6. Develop community outreach programs that include classes on pain management, wellness strategies and oncology issues; ongoing support groups for cancer and chronic pain support, and an educational drop-in program for those new to medical cannabis.
7. Offer a wide variety of holistic healing and alternative care services, including yoga, nutrition classes, acupressure, peer counseling, chiropractic, substance misuse counseling and more.



### 1.3 Mission

Provide safe, dignified and affordable access to medical cannabis for approved patients in the State of Rhode Island.

### 1.4 Vision

The Center envisions being a community-oriented, nonprofit organization that provides Rhode Island patients in need with safe access to high quality medicine, wellness services and educational resources.

We foresee the Center serving as a model facility that operates in full compliance with the law, maintains the highest standards of professional operation and truly serves the needs of patients in our state.

#### Our Commitments:

- Operate with complete adherence to state and local ordinances, and maintain a solid working relationship with all government authorities, including law enforcement and health department officials.
- Maintain financial viability to support our ongoing mission as a non-profit organization whose purpose is to serve our patients, our community and our other stakeholders.
- Maintain a physical environment and organizational culture where all are treated with respect, compassion and care.
- Be a good neighbor to local residents and businesses by engaging community leaders and citizen groups as a responsible service provider.
- Provide licensed patients with alternative health resources in a professional and compassionate environment by offering free and low-cost wellness services that help improve the quality of life for anyone in need.
- Educate our patients on the proper and responsible use of medical cannabis.
- Serve our community, both patients and non-patients alike, through charitable community events and services.

### 1.5 Core Values

The Center believes in:

- **Highest Quality Products**- we cultivate and provide safe, high-quality medicinal products subject to careful processing and, where feasible, testing by an independent laboratory.
- **Compassion**- serving our patients professionally with sensitivity to their needs in a clean environment where they feel safe and secure.
- **Responsiveness**- in our dealings with our patients, employees, lenders and the community.
- **Transparency**- our financial data is regularly audited by an independent accounting firm.
- **Community Service**- conducting varied and ongoing outreach activities to serve the needs of patients and others in our community.



- **Education**- providing facts and information to help people understand the responsible and effective use of medical cannabis.
- **Being a “Good Neighbor”**- by working with the community, the city and police department as a responsible service provider.

## 1.6 Keys to Success

Important keys to our success include:

- We will position the Center as a responsible business in the community and develop close working relationships with civic, business and government leaders and their staffs.
- Highly detailed planning and execution is critical. We will put in place the staffing, training and infrastructure required to cultivate safe, high-quality medicine, and we will apply industry best practices to medical cannabis dispensary operations.
- Financials, especially cash flow, must be well planned and managed, and kept to high standards commensurate with our nonprofit status and visibility in the industry.

## 2.0 Organization Summary

### 2.1 Legal Entity

Legally named Thomas C. Slater Compassion Center, Inc., the Center is a non-profit Rhode Island corporation founded in 2010. It is governed by a four-person board of directors, with its chief executive officer overseeing daily operations and serving as executive director.

### 2.2 Startup Summary

Following are some of the milestones the Center has accomplished thus far:

- Secured an appropriate site with approvals from zoning and building officials in Providence.
- Engaged a qualified team to serve as advisors with expertise in legal, financial, cannabis dispensary operations, security and more.
- Prepared a comprehensive application package and business plan that addresses all areas required to fund and operate a legally compliant, sustainable organization that can fully deliver on its mission.

### 2.3 Start-Up Funding

Management has assumed that \$1.6 million is needed for the initial capital and operating needs to open the compassion center. This includes a build-out cost for the Center at \$660,000, working capital at \$500,000, and equipment purchases of \$440,000. To fund the initial phase of this project, the Center has received a commitment from an investor and board member, James E. Griffin, in the amount of \$1.6 million. This commitment does not constitute an equity stake in the Center. It is a loan amount payable over a 10 year period at a fixed interest rate of nine percent. A

copy of the commitment letter from Mr. Griffin is included with this plan, along with a statement from a financial institution attesting to his ability to fund the project.

## 2.4 Long-Term Viability

As a non-profit organization, the Center will ensure its long-term viability through a continuing focus on three key pillars of operation:

1. **Staying true to its mission.** The Center's mission is to "Provide safe, dignified and affordable access to medical cannabis for approved patients in the State of Rhode Island." We will publish this mission prominently for our patients, employees and the general community. Management will actively use our mission as a yardstick by which to measure our actions and performance.
2. **Involving stakeholders.** Successful organizations are those where stakeholders feel a sense of ownership and pride, and actively participate in shaping the direction and future of the organization. We will conduct ongoing efforts to seek feedback from patients, employees, advisors, government officials and the general community on key matters involving the Center. Examples will include periodic surveys, open meetings and actively encouraging submission of feedback.
3. **Financial viability.** Although the Center is a non-profit organization, we cannot fulfill our mission unless we have sufficient resources to continue operations. We are committed to providing services at a fair market value and generating a funding surplus. Our board of directors will review our financial performance on a regular basis and take appropriate action to ensure that we meet these commitments. We will also involve qualified advisors to help us achieve prudent financial management and efficient operations. These advisors include principals from two of the nation's leading medical cannabis dispensaries, which have solid records of operational and financial success using a similar model.

## 3.0 Products and Services

### 3.1 Product and Service Philosophy

Based on the core values of the Center, product sales are firmly grounded in a service model. While there may be some differences in product quality from one dispensary to another, cannabis is largely a commodity, so product differentiation rests primarily on how products are sold. The Center will work diligently to deliver on its core value that calls for "highest quality products." Following is a general outline of how the Center plans to approach product quality and service.

#### Strict Quality Control Guidelines

In states where dispensaries sell cannabis grown from collective members, studies have shown that some samples contain fungus, molds and other unwanted microbes that can affect immune-suppressed patients who buy them. In addition, potency can vary widely from one strain of cannabis to another.

Because of Rhode Island's law that allows dispensaries grow medicine, many of these issues can be eliminated through cultivation methods and proper quality control processes.

However, as an additional measure, we will implement laboratory testing to control contaminants and standardize potency once these capabilities are made available

through independent analytical laboratories. This will enable us to sell only the highest quality medicine and enable patients to know what to expect from their purchase, including an objective measure of the amount needed to appropriately address their symptoms. For any medicine that is acquired by licensed patients or caregivers, the same standards with testing will be upheld.

### **Zero Tolerance on Product Performance Issues**

Any product found to have a potential problem shall not be provided to patients, unless and until it passes further review and inspection.

## **3.2 Product Line**

The Center's current product line includes the following:

**Table: Product Line**

<b>Product Line</b>	<b>Description</b>
Flowers	Dried cannabis "buds" that can be smoked in a pipe, rolled into a cigarette (or 'joint'), smoked using a water pipe (commonly called a 'bong') or vaporized with vaporizer products (believed to be the safest form of inhalation).
Extracts	Extracts such as hashish are manufactured by separating the trichomes (semi-transparent granular hair-like outgrowths) from the cannabis flowers to create a concentrated dose of this specific part of the cannabis plant.
Preparations	Joints, tinctures, dermals, nectars, salves
Edibles	Edibles are foods cooked with butter or oil that has been infused with cannabis (e.g. bars or cookies). Edible cannabis usually takes longer to take effect (20 minutes to an hour or more) and the effects generally last longer than smoking or vaporizing.
Accessories	Grinders, vaporizers
Books	Books, DVDs relating to cannabis use and cultivation
Gardening	Immature plants (clones), seeds, nutrients, pesticides
Apparel (Future)	The center may offer branded wearable merchandise at some future point if it is determined that patients would like to purchase it.

## **3.3 Services**

The Center places a high emphasis on education—providing ample information to help patients choose products appropriately and understand how to use them effectively and responsibly.

Other than services directly related to membership and sales, the Center also provides a wide range of other services designed to help patients maintain a healthy lifestyle. Many programs and services are available at no charge, and some are offered to non-patients. The list includes workshops, support groups, classes and other programs, including:

- Peer Counseling

- Chiropractic
- Therapeutic Massage
- Yoga
- Ayurvedic Healing
- Horticulture Classes
- Cooking Classes
- Nutrition Classes
- Acupressure
- Art and Music Therapy
- Classes on pain management, wellness strategies and oncology issues
- Guided meditation
- Self Hypnosis
- Resource Services (referrals for a wide variety of essential life, social and economic services)
- Herb clinic with an herbal medicine consultation and free herbs
- Ongoing support groups: women's cancer support group, chronic pain support and an educational drop-in time for those new to medical cannabis
- Programs on growing your own medicine (including organic and solar), making edibles
- Counseling services focusing on proper medication practices and avoiding substance misuse

### **3.4 Services for Charity Care**

As part of a commitment to providing compassionate care and improving the quality of life for anyone in need, the Center will offer a Compassion Program for disabled, terminally ill, and fixed/low-income patients. We believe strongly in an individual's right to personal health empowerment through access and knowledge. To support this mission, the Center is dedicated to offering access to alternative healing services, regardless of financial status, and to providing educational materials designed to help members better understand how to meet their needs on their quest for optimal health. In order to be considered for the program, patients must be a cardholder in good standing in the Rhode Island Medical Marijuana Program.

Patients will be required to complete a Compassion Program registration form that includes information on their income, living situation, preferred method of consumption and medicating schedule. This form will help Center staff to determine whether the patient qualifies for the program and to what extent they require assistance. Upon verification of patient status with the Center, a program representative will contact patients to schedule an intake appointment. The appointments will be approximately a half an hour in length and used primarily to validate the information provided on the registration form. Patients will be required to show documentation of their financial status at the appointment.

The need assessment method used by the Center to calculate whether patients qualify for the Compassion Program is modeled after a standardized data analysis formula that is widely used by local community assistance programs. All Compassion Program members will be required to adhere to the Center's Membership Agreement and Code of Conduct. Membership in the program will be renewed every six months.

## **4.1 Industry Analysis**

### **History of the Medical Cannabis Industry**

The legal medical cannabis industry in California began in 1996 when a referendum known as Proposition 215 was approved by 56% of California voters. Subsequently the Compassionate Use Act of 1996 codified the rights of authorized patients to possess and cultivate the medicine under the California Health & Safety Code Section 11362.5.

In 2004, SB 420 clarified how much medicinal cannabis patients could grow and possess, and it allowed local governments to set additional guidelines.

In August 2008, the California attorney general issued guidelines for the security and non-diversion of cannabis for medical use, further clarifying the legalities of medical cannabis in dispensaries.

Since 1996, additional states have followed California's lead. In addition to Rhode Island, medical cannabis use is now legal in Alaska, Colorado, Hawaii, Maine, Michigan, Montana, New Jersey, Nevada, New Mexico, Oregon, Vermont, Washington and the District of Columbia (DC). Pending the outcome of legislation, it is likely that medical cannabis will be legalized in additional states, including Arizona, New York, New Hampshire, Minnesota, Illinois and Wisconsin.

### **An Industry Marked by Controversy**

Despite its legal status, medical cannabis is not without significant opposition. Perhaps the biggest obstacle to industry growth is the federal government, where the Department of Health and Human Services has continued to maintain that "marijuana has no currently accepted medical use in treatment in the United States." This, along with the prior administration's generally conservative stance on drugs and social issues, helps explain why the Drug Enforcement Administration (DEA) has conducted frequent raids on medical cannabis dispensaries in recent years—even in states where the operations are expressly legal.

And finally, there is still suspicion by a significant portion of the population that views medical cannabis as a thinly veiled excuse for people to acquire a recreational drug under the guise of medical need.

Combined, these factors have dampened the normal process of growth and cohesion that typically occurs in emerging industries. There is still no trade association for medical cannabis dispensaries. This leaves the industry void of a force for self-regulation, promotion of best practices and a unified voice for political action. The National Organization for the Reform of Marijuana Laws (NORML), The Marijuana Policy Project (MPP) and Americans for Safe Access (ASA) all address general issues related to cannabis and medical cannabis use. However, no organization focuses specifically on the business of running a dispensary.

### **Yet Momentum Continues**

Despite opposition and the challenges that dispensaries face, medical cannabis use appears to be here to stay. Growth factors include significant support among the general population and gradual acceptance in the medical community.

The medical community has been slow to embrace cannabis as a medicine, but it appears to be just a matter of time. There is a considerable body of evidence that medical cannabis is as good—if not better—for treating certain conditions than many chemically produced medications.

NORML statistics show that cannabis is used to treat a range of conditions from chronic to acute and terminal.

- 40% chronic pain
- 22% AIDS-related
- 15% mood disorders
- 23% all other categories

Specific conditions for which medical cannabis is currently used as a treatment include:

- AIDS (HIV) & AIDS Wasting
- Alzheimer's Disease
- Appetite / Nausea
- Arthritis
- Asthma / Breathing Disorders
- Chemotherapy
- Crohn's / Gastrointestinal Disorders
- Epilepsy / Seizures
- Glaucoma
- Hepatitis C
- Migraines
- Multiple Sclerosis / Muscle Spasms
- Pain / Analgesia
- Psychological Conditions
- Tourette's Syndrome
- Terminally Ill

According to ASA, more than 6,500 reports and journal articles from around the world support the medical value of cannabis. Hundreds of scholarly studies have demonstrated cannabis' ability to reduce pain, fight nausea, improve appetite and ease other symptoms—with virtually no harmful side effects. In contrast, many of the standard pharmaceuticals currently used to treat these conditions pose unpleasant or potentially harmful side effects.

After careful scrutiny and substantial consideration of the evidence over decades, dozens of public health organizations have endorsed medical cannabis use. The list is impressive. Supporters include the National Association of People Living With AIDS, AIDS Action Council, American Public Health Association, American Academy of Family Physicians, American Nurses Association, Federation of American Scientists, Kaiser Permanente, New England Journal of Medicine, National Association for Public Health Policy, California Medical Association, Whitman-Walker Clinic, Lymphoma Foundation of America, and many more.

Even the American Medical Association, which has long taken a conservative stance on the issue, revised its policy in November, 2009 calling for an easing of federal classifications that make it extremely difficult to study the impact of medical cannabis.

### **Friendlier Federal Policies Will Further Industry Growth**

DEA raids on medical cannabis dispensaries have mostly waned since President Barack Obama took office. Obama repeatedly stated during his campaign that he would take steps to end the practice, effectively eliminating the competing position between federal and state laws.

In October 2009, Attorney General Eric Holder reinforced that commitment as he directed federal prosecutors to stop pursuing cases against medical cannabis patients whose conduct was otherwise lawful under state law. Those guidelines were contained in a memo from Deputy Attorney General David Ogden that was sent to United States attorneys.

With a more relaxed legal climate in place, it is likely that the medical cannabis dispensary industry will experience a surge in growth. Some or all of the following trends are expected to occur:

- The climate of fear that the DEA raids has caused will abate, increasing patients' comfort level in visiting dispensaries.
- More patients will feel comfortable seeking physicians' recommendations for medical cannabis use, and physicians will feel more comfortable giving them.
- New dispensaries will open as demand increases due to the more tolerant climate.
- Existing dispensaries will see an increase in business.
- Additional localities will address medical cannabis as federal tolerance improves and pressure increases to find new sources of tax revenues in a challenging economy.
- Some dispensaries will become industry leaders and seek industry dominance as they improve operating efficiency and open additional centers.

## **4.2 Market Assessment**

As noted earlier in the Industry Analysis, the medical cannabis dispensary industry is still in its infancy and is relatively undeveloped compared to most industries. Quantifying the market (the number of patients and/or potential revenue) is difficult to quantify because:

- There is no central trade association or source of comprehensive information about dispensary operations and data.
- The stigma associated with cannabis use, along with the threat of possible legal difficulties, has forced many patients to "fly under the radar." Therefore, user data that might be openly published and accessible in other types of markets is not available.
- Data gathering is further impacted by HIPAA laws that specify strict handling of patient information for privacy reasons.

**Rhode Island's Emerging Medical Cannabis Market**

In January 2006, the Rhode Island Legislature enacted the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act. The State took further action in 2009 by voting overwhelmingly to pass compassion center legislation that provides an avenue through which patients in need can qualify for and gain access to safe, quality medical cannabis.

In response, the Rhode Island Department of Health moved forward to implement the new laws and pave the way by approving up to three compassion centers where registered patients can acquire cannabis in its various medicinal forms. The Department was due to review and act on license applications for the first permits by the summer of 2010, with the first compassion center expected to open in the fall.

Due to problems with the application submissions, the Department of Health chose to reject all of the applications and restart the compassion center application process. Applications will be accepted until November 12, and the Department expects the review to take four to six months.

**Market Size- Rhode Island**

Because there is no authoritative source of industry data for the medical cannabis market in Rhode Island, management is relying on State estimates that place the number of potential patients at 2,200 (plus 1,800 caregivers). However, Center management believes that the potential market in Rhode Island is probably well above this number.

The Marijuana Policy Project (MPP) estimates that, for every 1,000 residents in the U.S., 1.9 on average are medical cannabis patients. If this average is assumed to be more representative of the probable patient population in Rhode Island, then the State's patients would number 2,032 (assuming current population of 1,069,725). On the other hand, if Rhode Island's experience is closer to states such as Washington and California, it could mean an even larger patient population—perhaps over 5,000.



**Table: Medical Cannabis Patient Estimates- U.S.**

State	Medical Cannabis Patients	State Population	# of Patients Per 1,000 State Residents
1. Alaska	175	670,053	0.26
2. California	2,024,161	36,457,549	5.55
3. Colorado	4,515	4,753,377	0.95
4. Hawaii	3,240	1,285,498	2.52
5. Maine	2272	1,321,574	0.17
6. Montana	1,144	944,632	1.21
7. Nevada	860	2,495,529	0.35
8. New Mexico	162	1,954,599	0.08
9. Oregon	20,547	3,700,758	5.55
10. Rhode Island	517	1,067,610	0.48
11. Vermont	107	623,908	0.17
12. Washington	355,103	6,395,885	5.55
<b>TOTAL</b>	<b>269,420</b>	<b>Average:</b>	<b>1.90</b>
United States	5,777,124	304,058,724	1.90

### 4.3 Market Segmentation / Customer Profile

Constructing a detailed profile of the Center's patients is challenging because of dispensaries' rigorous commitment to privacy and confidentiality. Most dispensaries not only protect patient data, but most avoid the appearance of collecting it—given the health issues that patients face and the risks they perceive with the legality of visiting a medical cannabis dispensary.

However, some data is available from anonymous surveys conducted for dispensaries in 2009 and 2010. While the Center's patient base may vary due based on local or regional differences, the following data provides a general glimpse of what its patient base can be expected to look like.

**Gender:** Two out of three patients are male (67%).

**Age:** Median age (half above, half below) is approximately 37 years. More than a quarter are mid-forties and older.

**Zip Code:** The largest concentration of patients lives within a 30-minute driving range of the dispensary.

**Employment:** Respondents are employed (33%-41%), with another 16%-18% are self employed. Around 11% are retired, and 12%-15% are disabled and/or on disability.

**Occupation:** Those who work outside the home are concentrated in white collar occupations (management, professionals, service, sales and office workers).

**Medical Need:** When asked what condition prompted their need to seek medicine, respondents report that chronic pain is at the top of the list, with well over a third selecting this option. Sleeplessness, anxiety and arthritis also rank high, combining to affect over a third of dispensary members.

**Last Visit:** More than a third of patients reported visiting their dispensary within the prior month, and nearly two thirds said their last visit was within 90 days.

## 5.0 Strategy and Implementation Summary

### 5.1 SWOT Analysis

The SWOT analysis provides us with an opportunity to examine the internal strengths and weaknesses the Center must address. It also allows us to examine the opportunities presented to the Center as well as potential threats that lie beyond its control.

#### 5.1.1 Strengths

The following strengths are internal to the Center:

- Qualified, professional management team with backgrounds in business and management.
- Proven model of patient-centered approach with strong emphasis on health and wellness.
- Strong support team.
- Heavy reliance on financial and operations data and systems (e.g. QuickBooks, inventory control, POS system).
- Sophisticated merchandising approach: packaging, labeling, display, etc.
- Ideal location in central Rhode Island, accessible to every major highway.
- Facility with adequate space for patient support programs and a cultivation area.
- Strong board of directors who are focused on fulfilling the Center's mission and meeting community needs.
- Good working relationships with area law enforcement.
- Principal owner's belief in compassionate care is based on personal experience.
- Access to sufficient capital.

#### 5.1.2 Weaknesses

The following weaknesses are internal to the Center:

- Lack of comprehensive market data.
- Unclear marketing protocols for potential alliances and professionals who may be in a position to refer patients.

### 5.1.3 Opportunities

The following are opportunities the Center can leverage that lie outside of its organization or control:

- General public acceptance of cannabis use as a medicine is growing.
- New federal administration policies toward legal dispensaries are more tolerant.
- There is still a significant underserved market in the Rhode Island area.
- The Center can continue to build and strengthen alliances with medical providers (AIDS, cancer and general health), counselors and others in the wellness industry.
- The size of the State is small, which will help the Center connect well with the community and more easily generate awareness.
- There will be limited or no competition, which creates predictability and enables management to divert resources into better serving patients.

### 5.1.4 Threats

The following factors represent potential threats that lie outside the Center's organization and control.

- There are still significant preconceived negatives by society at large about medical cannabis use. The Center will continue to monitor trends and work to effect change through high operational standards, good community relations and by playing an active role in changing public attitudes about medical cannabis.
- The dynamic tension between federal and state government regarding legalities of medical cannabis is not fully resolved. While raids are unlikely, particularly in view of the Center's transparency and legal operation under state and local law, issues with the legality of medical cannabis could re-surface as an issue. The Center will continue to remain compliant with state and local ordinances.
- Irresponsible users of cannabis.
- The economy could turn down, dampening the Center's performance.
- The Center could experience a crop failure.
- Fee-for-service doctors could generate a negative image for the industry.

## 5.2 Marketing and Sales

### 5.2.1 Branding and Positioning

Many medical cannabis dispensaries operate with the assumption that, since patients are pursuing cannabis as a medicine, they must also resonate with most or all of the other aspects of the drug counter-culture. This leads to many developing an image more closely associated with hip-hop or stereotypical "stoners" than with service-oriented professionals who regard themselves as part of a healing, healthy lifestyle.

The Center's approach is clearly the latter. Our focus is healing, health and a balanced lifestyle. We also believe the overwhelming portion of those seeking medical cannabis

will be responsive to this wellness-based approach, so our brand will reflect this. Our staff will be professional in appearance, and see themselves as a positive, integral part of the community—rather than as an isolated subculture standing in opposition to the mainstream.

The Center's approach is designed to better meet the needs of patients who seek a modern, clean, safe and professionally managed facility. General differentiators that appeal to patients will include the following:

- **Focus on Healing-** The Center emphasizes health and healing—not the drug culture. We are a member-focused community whose mission is to help our members heal and achieve the highest possible quality of life.
- **Service Orientation-** The Center's staff will be comprised of patients and caregivers, many of whom have survived an illness. We are truly committed to service quality and providing a high degree of information to patients in a consultative format.
- **Higher Quality Medicine-** The Center will focus on cultivating safe, high-quality medicine grown with organic processes. When the services of an independent laboratory are available, medicine will be periodically tested for contaminants and to determine potency.
- **Reliance on Merchandising-** The Center will take a personalized approach to dispensing medicine so service is tailored to patients' individual needs. This includes giving patients a variety of choices in neatly arranged display cases, packaging product in attractive containers and allowing patients to see product up close and smell it while making a purchase decision.
- **Use of Current Technology-** The Center will utilize point-of-sale software and bar-coding technology to help manage its transactions and track inventory. This technology provides more information and control to help us make better decisions about how to better serve patients.

### 5.2.2 Competition

Because of prevailing law in Rhode Island, there are no current competitors in the state. Should one or two additional compassion center licenses be granted, they could pose competition. Indirectly, the Center faces competition from illegal sales of cannabis, although this is very difficult to quantify because it is a prohibited activity.

### 5.2.3 Pricing Strategy

The Center's pricing will be intentionally set at or above the midpoint of the scale locally, largely due to the higher quality of medicine it will offer to patients.

In order to prevent diversion of medicine to the illegal market, the Center will set its average medicine price at the mid-point range of current (illegal) market prices for cannabis in Rhode Island. Diversion refers to the phenomenon that occurs when dispensaries price their products too far below prevailing rates for cannabis purchases. When this occurs, it creates an incentive for patients to purchase medical cannabis and resell it for a profit at the higher market rate. Through its pricing practices, the Center will support state law by discouraging diversion.

Pricing will reflect the type of medicine, quantity purchased and quality. Management anticipates charging an average price of \$35 for an eighth ounce, which is in line with current market pricing that ranges between \$200 and \$300 per ounce. Any surplus

revenue created due to this pricing approach will be used to support patient services, including free and low cost medicine as needed.

The Center will occasionally offer discounted medicine, either as incentives or as assistance for those with lesser ability to pay, such as seniors, veterans and patients on disability.

#### 5.2.4 Marketing Objectives

In view of data and opportunities presented within this plan, the following summarizes general objectives for the dispensary in the next one to two years of operation:

- **Increase Public Education-** Prevailing attitudes about medical cannabis are continuing to relax. But prior issues with legality and social stigma have constrained the market. The Center can attract new patients by continuing to educate the local public about cannabis as a viable, safe alternative medicine.
- **Heighten Standards and Recruit Members-** The Center plans to increase membership and revenue growth as it improves operations and expands services.
- **Expand Provider Alliances-** As legal concerns abate in the provider community, more physicians are likely to consider recommending medical cannabis to their patients. The Center can undertake additional proactive alliance and referral strategies that will result in additional patients becoming members.
- **Increase Brand Awareness-** One of the early challenges for a dispensary is generating awareness and earning high brand loyalty. Our design and service-based programs, based on best practices of leading successful dispensaries, will make us a destination for patients throughout Rhode Island.
- **Maintain Outreach Efforts-** By working with community groups and participating in community events, the Center better serves its community. It also builds awareness, relationships and cooperation that will lead to increased referrals and member growth. We have dedicated a line item in our budget for investment in worthy outreach programs to help patients and give back to the community. In addition to assisting organizations like the Rhode Island Patient Advocacy Coalition (RIPAC), the Center's board will meet regularly to discuss distribution of these community outreach funds and support causes reflective of our mission. RIPAC will be the primary recipient of the community outreach funds from the Center. Funds will also be distributed to community organizations and needs that are located in the City of Providence. A particular focus will also be made on supporting Providence-based organizations that deliver primary health care services to low-income and indigent patients in the City.

#### 5.2.5 Marketing / Promotional Strategy

Leading dispensaries elsewhere have found that word of mouth and a media campaign are two of the most important ways to attract patients and build awareness. The Center will leverage these and other proven methods as it undertakes the following initiatives to accomplish its stated marketing objectives.

**Sponsorships and Community Participation** - Paid sponsorships and exhibitor opportunities offer the Center visibility and can often present significant exposure well beyond the paid cost of the opportunity. Sponsorships will be specifically targeted at venues where cannabis use is already widely accepted and/or where the need for medical cannabis is great.

**Industry Activism-** Additional participation includes formal activism, which helps promote the Center in industry circles as well as forwards medical cannabis as a legal, safe alternative form of treatment. Examples of this include:

- RIPAC- Rhode Island Patient Advocacy Coalition. A high priority will be placed on supporting this group, which is at the fore of work to bring about compassionate relief for Rhode Islanders in need.
- ASA- Americans for Safe Access, a patients rights advocacy group
- NORMAL- National Organization for the Reform of Marijuana Laws
- DPA- Drug Policy Alliance
- LEAP- Law Enforcement Against Prohibition
- MPP- Marijuana Policy Project, a political lobbying group
- SSDP- Students for Sensible Drug Policy
- MCSC- Medical Cannabis Safety Council

**Public Relations-** Managed coverage in local media is another way the Center will work to increase awareness and positive information about its services. Periodic press releases will be furnished to local press, including the Rhode Island newspapers, community newsletters, hospice and patient bulletin boards to highlight the dispensary's progress and work in the community.

**Member Marketing-** The Center will actively work to increase membership as well as encourage member loyalty and purchasing behavior by marketing to our member base. Because of the relationship between the Center and patients, marketing must be permission-based and low-key. However, tasteful communications to members that educate and gently promote are not inappropriate providing they respect privacy and do not violate any laws. Messaging will include on-site promotional material, such as signage, flyers, newsletters, etc. as well as occasional emailed communications to members who have specifically opted in.

**Viral Marketing-** Satisfied members can be the most effective means to promote the Center, particularly with its strong brand. Therefore, additional effort will be directed at better leveraging its patient population to evangelize on the Center's behalf. The Center will develop a formal referral program that encourages current members to pass on information to a friend. This is particularly important, given that "friend" is the most common answer reported on new patient intake forms when patients are asked to indicate how they heard about a dispensary.

**Alliances-** Alliances represent a substantial opportunity for the Center to increase awareness and enjoy a stream of referrals. Not only is there little cost associated with alliances, but a strong alliance-building program will continue to produce over time. The Center plans to establish strong alliances with various hospices and patient service groups that receive free medical cannabis from its founders.

In addition to expanding these alliance networks, the Center is developing a strategy to reach out to a variety of organizations and health providers who are in contact with prospective patients. Examples include physicians, chiropractors, cancer support groups, AIDS organizations, senior centers, etc. A key part of this initiative will be educating alliance partners on the benefits, legalities and processes involved with referring people for medical cannabis use. The time is particularly ideal now that federal pressure on the industry is easing.

### 5.2.6 Sales Strategy

As a service-based organization focused on patient wellness, our approach to sales must clearly reflect that orientation. Accordingly, sales will be highly consultative and focused on patient care—not retail product selling in the traditional sense. A strong emphasis will be placed on customer service and product knowledge to ensure that patients are provided with accurate, useful information.

This is critical, since doctors do not recommend the type or form of cannabis to patients—only that they are approved for its medicinal use. Therefore, our staff will be highly trained, on a continuing basis, to advise patients on the types of medicine and how to choose appropriately to meet their needs.

At the same time, the dispensary must also operate efficiently in order to remain financially viable and deliver on its long-term mission. Therefore, the dispensary will provide ongoing training to its staff to ensure that they are properly prepared to provide excellent service and do so with expediency. The Center will monitor their performance by tracking transaction data for sales staff and occasionally deploying “mystery shoppers.”

Individual feedback, coupled with regular department meetings, will be used as training opportunities to continually improve sales staff capabilities.

## 5.3 Operations

### 5.3.1 Operations Manual

The Center has adopted a comprehensive operations manual to guide virtually every aspect of daily operations for each department (available for review upon request). The manual, totaling over 370 pages of policy and detailed procedures, provide an excellent basis for training and address a wide variety of topics, including:

- **Processing and Storage**- how medicine will be handled, acquired, and stored safely, and by whom.
- **Information Technology**- covers the Center’s main data system and electronic information systems, access, security, back-up procedures, etc.
- **Dispensing Procedures**- step-by-step guidance for providing quality service and dispensing medicine to patients.
- **Bookkeeping and Banking**- covers cash handling, accounting and banking procedures.
- **Security**- spells out how the Center will maintain a safe environment to protect patients and employees, both inside the Center and in adjacent areas (e.g. parking lot). See additional detail under Section 5.3.3.
- **Emergency Procedures**- provides specific protocols in case of medical, police or other emergencies to ensure rapid response involving the appropriate personnel and/or outside authorities.

### 5.3.2 Cultivation

Cannabis will be grown utilizing multiple disciplines, including organic hydroponics and soil-grown, flood and drain tables, nutrient film technique, aeroponics and other techniques. The facility will maintain a variety of strains of cannabis, to be dispensed in

medicinal form. Only approved cultivation staff and security personnel will be allowed access to the cultivation area.

The facility will be a "closed" system, with strict environmental control. Ambient air temperature and relative humidity (RH%) will be monitored in "real time", and regulated accordingly. Carbon dioxide (CO<sub>2</sub>) enrichment will be employed to aid in photosynthesis to maximize plant yield and efficiency. Indoor air quality will be monitored in real time as well, and HEPA filtration will be employed throughout the structure to maintain a mold free environment for the safety of staff and the health of the plants.

The facility will employ negative air pressurization to eliminate air exchange from the cultivation area to the dispensary. All exhausted air will be emitted from the building after undergoing carbon (charcoal) filtration and ozone treatment for the neutralization of odor (volatile organic compounds). This level of environmental and biological control will ensure the medicine cultivated will be of the highest level of purity possible.

The water used for cultivation will be purified via reverse osmosis (RO), providing the plants with a pure base for the nutrient solution necessary for photosynthesis. Only the highest quality fertilizers will be used in the facility with an emphasis on organic fertilization. Lighting will be supplied in the forms of T-5 fluorescent, high-intensity metal halide, high-pressure sodium and LED in appropriate phases of the plants' life cycle.

The cultivation facility will be light tight, with no visibility from outside the building. As previously noted, exhausted air will be treated by carbon scrubbing and ozone generation to ensure no "tell-tale" odors are emitted to the outside. All windows will be blacked out, making the contents and activities inside not visible to patients in the dispensary, or persons outside of the building.

### 5.3.3 Site Security

[REDACTED]

[REDACTED]

[REDACTED]

- I [REDACTED]
- I [REDACTED]
- I [REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

#### 5.3.4 Information Security

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

## **5.4 Location / Facility**

### **5.4.1 Site Selection**

The proposed site is located at 1 Corliss Street, Providence, RI 02904 in a one-story building formerly used as a mail processing facility. This location is ideal because of its proximity to freeways and easy access for patients throughout Rhode Island. The majority of Rhode Island's residents live in Providence County, which surrounds the city of Providence.

The location at 1 Corliss Street provides easy access from public transportation lines as well as immediate access from Interstate-95 (Charles Street Exit from the North or South), with at least 50 spaces available for parking at the facility.

The location can be accessed by the state's public transportation system (the Rhode Island Public Transit Authority): Charles Street Line (Inbound and Outbound). Bus lines are available seven days a week.

### **5.4.2 Site Design**

The Center will complete designs of its facilities to accommodate patient in-flow and egress, service, production and storage areas. The Center's design will feature:

- Approximately 14,000 square feet of total space.
- Approximately 4,000 square feet for dispensary and service areas.
- A cultivation facility in the rear of the facility with no pedestrian access. The size of the cultivation area (total 5,200 square feet) allows the Center to meet initial patient demand.
- Easy patient flow through the facility.
- Healing center space that can accommodate classes, consultations, etc.
- Air filtration system to treat exhaust emissions for odor control.

### **5.4.3 Site Build Out**

The Center will complete a construction program to build the infrastructure specified in its site design specifications. Cosmetic and functional modifications will be based on the recommendations of design consultants.

The build out includes electrical upgrades, design and remodel of the dispensary portion of the building, HVAC upgrades and plumbing install. The construction process is expected to take 13 weeks.

### **5.4.4 Site Financing**

The Center will lease its location from Sigal, LLC, a limited liability corporation that will retain ownership of the building and land.

## 6.0 Management and Organization

### 6.1 Executive Team

The Center will be managed initially by dispensary founder Gerald J. McGraw, Jr., who serves as chief executive officer and executive director.

#### **Gerald J. McGraw, Jr. CEO, Executive Director and Founder**

Gerald J. McGraw, Jr. is the Chairman and Principal Officer of the Center. A lifelong Rhode Islander, Mr. McGraw has led a distinguished career in business, and looks to extend his professional success into the development of the leading not-for-profit compassion center in the country.

Mr. McGraw operates one of the largest electrical contracting companies in the area, J&J Electric. A Master Electrician by trade, Mr. McGraw has grown his family-owned business into a multi-million dollar operation that provides electrical contracting services to projects throughout the New England area. Overseeing a team at peak operations of over 60 licensed electricians, Mr. McGraw has the skills to manage personnel and budgets in the highly competitive building trades. While management oversight of the company is Mr. McGraw's primary day-to-day responsibility, he is not immune to fastening a tool belt around his waist and ensuring the timely completion of any job. He takes great pride in his hands-on approach to his company, and will enlist a similar style as operator of the Center.

Mr. McGraw's interest in operating a compassion center in Rhode Island is intensely personal. Like many who are attracted to the medical cannabis movement, his involvement stems from a personal experience with a loved one who was sick. Mr. McGraw's late grandmother, Mary Maraia, endured a long yet dignified fight with cancer in the early days of his career. Mrs. Maraia was the focal point of family life for the entire McGraw family, and her struggle with the disease left a lasting imprint. During her treatments, doctors indicated that medical cannabis may be a viable option for pain relief. Because the drug was illegal at time the option was never pursued. Following her death, Mr. McGraw was left wondering if medical cannabis could have in some way alleviated his grandmother's pain and suffering.

As the State of Rhode Island has initiated a progressive outlook on medical cannabis for those who are sick, Mr. McGraw has been an active proponent of the movement. Upon passage of the initial medical cannabis statute, Mr. McGraw became a licensed caregiver in the state's program. As a caregiver, he has provided great comfort and assistance to his patient. The program has heightened Mr. McGraw's interest in the medicinal values prevalent in medical cannabis, and has spurred his interest in being the operator of Rhode Island's first licensed compassion center.

Mr. McGraw's combination of business acumen, knowledge of the construction trades, deep commitment to helping patients, and lifelong Rhode Island roots serve as the backbone of his pursuit of the compassion center license. He looks forward to building a center that is a beacon of light for patients throughout Rhode Island, and he plans to do so with his grandmother's spirit close at hand.

## 6.2 Board of Directors

The Center is governed by a three-person board, chaired by Gerald J. McGraw, Jr. (see bio in prior section). Additional members include:

### **Sanford J. Resnick, Board Member**

Sanford J. Resnick, Esq. has practiced law for over 30 years in Rhode Island, bringing a wealth of legal experience to the board of the Center. Mr. Resnick is well recognized in Rhode Island's legal and business circles, and is a trusted advisor to leading businesses and individuals throughout the region.

Mr. Resnick is a graduate of the University of Rhode Island and Suffolk University School of Law. He is a member of the Rhode Island Bar Association and the Massachusetts Bar Association. A lifelong Rhode Islander, Mr. Resnick is a resident of Warwick.

Mr. Resnick's firm, Resnick and Caffrey, is a general practice law firm concentrating in real estate law and other related areas. Throughout his career, Mr. Resnick has completed numerous successful transactions, specializing in commercial and residential closings, real estate law, loan workouts, foreclosures, land use planning, and general lender representation. As one of Rhode Island's busiest conveyancing firms, Resnick and Caffrey typically handle an average of 1,250 to 1,500 real estate transactions per years. The firm's reputation is impeccable and well recognized by real estate professionals throughout New England.

Mr. Resnick is a frequent lecturer and guest speaker in the area of real estate law, and is widely considered to be an industry leader in this field.

### **James E. Griffin, Board Member**

James E. Griffin has enjoyed a distinguished career in the fields of law enforcement and complex security operations. A resident of Cranston and graduate of the University of Rhode Island with a degree in Economics, Mr. Griffin joined the Rhode Island State Police in 1986. His 17 year career on the force saw him achieve the rank of Corporal, winning commendation from his superior officers for his service.

Following his tenure with the State Police, Mr. Griffin entered the world of private security service, working for Blackwater Inc. While at Blackwater, Mr. Griffin was the head of the security detail for L. Paul Bremmer III, head of the Coalition Provisional Authority which oversaw the reconstruction of Iraq. In Iraq, Mr. Griffin was responsible for the safety and security of Ambassador Bremmer starting in 2003, culminating in the restoration of Iraqi sovereignty on June 28, 2004.

At present, Mr. Griffin is the owner and operator of RAD Security, a private company that provides security services to high profile individuals throughout the country. Among Mr. Griffin's most recent security details involved protecting members of the Royal Family of Saudi Arabia for seven years.

Mr. Griffin's extensive knowledge of security operations will be of great benefit to the Center. He plans to have direct input and direction to the Center, ensuring the safety and security of patients, employees, and the general public.

## 6.3 Professional and Advisory Support Team

One of the dispensary's key assets is the strength of the team it has recruited to provide expertise and advice to the Center as it makes important decisions about every aspect of operation.

### **Rhode Island-Based Advisory Team**

#### **Richard R. Beretta, Esq., Legal Services**

A shareholder in the Providence-based firm Adler, Pollock & Sheehan, Richard Beretta is skilled in governmental relations and legislative issues, helping domestic and international companies succeed and grow, in both regulated and deregulated industries including energy and telecommunications, financial services, healthcare, retail, real estate development, entertainment and manufacturing. His considerable energy experience includes representing domestic and foreign energy companies in developing New England generation facilities.

Mr. Beretta also has broad experience in insurance matters where he defends insurance clients in healthcare liability, construction accidents, product liability, premises liability and director and officer liability matters as well as representing fidelity and surety companies in the litigation of fiduciary/inventory loss and construction disputes.

Mr. Beretta serves as counsel to Rhode Island's natural gas utility, special counsel to the Rhode Island Convention Center Authority, represents fidelity and surety companies in litigation of fiduciary/inventory loss and construction disputes, and represents his firm's insurance defense clients in premises liability, construction accidents, products liability and director and officer liability matters. A former practicing dentist, Mr. Beretta often advises the firm's healthcare clients on issues of insurance, professional liability and fraud and abuse; represents healthcare practitioners before state regulatory and licensing boards.

Mr. Beretta is AV rated by Martindale-Hubbell, the highest rating given to attorneys. He was also selected by his peers for inclusion in the 2007 - 2010 editions of The Best Lawyers in America® in the fields of governmental relations and administrative law. His professional affiliations include the following: Director, Greater Providence Chamber of Commerce; Member, American Bar Association's Governmental, Fidelity/Surety and Energy sections; Member, Massachusetts Surety Association; Member, Defense Research Institute; Member, New England - Canada Business Council, and former member, Rhode Island Governor's Task Force on Insurance.

Mr. Beretta is also actively engaged in numerous community and civic activities. He is current Chairman of the Diocese of Providence School Board; Director of Trinity Repertory Company; Board member and former chairman, Gateway Healthcare, a network of community-based mental-health and child-services providers; Director, St. Joseph's Hospital Foundation; Director, New Hope for Families Shelter; Director, Lighthouse for Youth Group Home, and Former board member, American Heart Association, Pawtucket YMCA.

#### **Patricia K. Rocha, Esq., Legal Services**

A recognized leading litigator and chair of the Litigation Group at the Providence-based firm Adler Pollock & Sheehan, Patricia Rocha has successfully tried and defended cases ranging from commercial litigation, product liability and toxic tort, employment discrimination and redistricting litigation, bribery, wire fraud, honest services and conspiracy. Ms. Rocha's healthcare practice includes representing healthcare providers

before state and federal regulatory agencies as well as in civil and criminal investigations. She is a shareholder of her firm.

Dedicated to the law and service to society, Ms. Rocha has tried cases in state and federal courts throughout the country working as a team with her clients to reach successful resolutions in the most efficient manner. She has co-authored a national text on trial advocacy and written articles on evidence, trial strategy, various aspects of constitutional law, criminal law and on recent changes to the law on federal sentencing guidelines. She frequently lectures at regional and national seminars on these topics.

Ms. Rocha has defended a major foreign pharmaceutical manufacturer in a pending criminal investigation relating to the marketing and distribution of HGH. She represented a hospital in a review by the Rhode Island Attorney General and Department of Health under the Hospital Conversions Act in connection with its proposed acquisition of an existing hospital, seeking the first of its kind approval for such hospital conversion. She has successfully represented healthcare providers in acquiring regulatory approvals from the Rhode Island Department of Health, as well as providing a defense to them in state and federal civil and criminal fraud and abuse proceedings. She has also successfully challenged unconstitutional regulatory schemes in the Rhode Island Supreme and Superior Courts as well as in the U.S. District Court.

Ms. Rocha was selected by her peers for inclusion in 2006-2010 editions of The Best Lawyers in America® in the fields of Administrative Law, Commercial Litigation, Health Care Law, White Collar Criminal Defense, and Labor & Employment Law. She was recognized in the 2006-2009 Chambers USA America's Leading Lawyers as one of the "Leaders in Rhode Island". She was selected as a Rhode Island Super Lawyer, 2007-2009, recognizing her as a leader in the legal community, and was a recipient of Boston College Law School's 75th Anniversary Alumni Award in 2005.

Ms. Rocha's professional affiliations include: Member, Rhode Island Commission on Judicial Tenure and Discipline; Fellow, International Academy of Trial Lawyers; Fellow, Litigation Counsel of America; Fellow, Rhode Island Bar Foundation; and Member of the Board of Directors, Defense Counsel of Rhode Island. She serves on the Committee on Character and Fitness of the Supreme Court of Rhode Island, Chair, April 2007 to present; Federal Board of Bar Admissions for the United States District Court for the District of Rhode Island, member, 2006 to present; and Co-chair of the 2008 Rhode Island Federal District Court Conference. Ms. Rocha serves on the Board of Overseers of Boston College Law School, and is President of the Rhode Island Chapter of the Boston College Law School Alumni Association.

#### **Gregory A. Porcaro, CPA/ABV, MST, CFF, Accounting Services**

Recognized as a leading professional in the field of accounting in the region, Gregory A. Porcaro will provide oversight of accounting and finance functions at the Thomas C. Slater Compassion Center. Mr. Porcaro is a principal in the Rhode Island firm of Otrando, Porcaro & Associates, Ltd., bringing over 27 years of experience in corporate and individual taxation, business valuation, and consulting services.

Since 1983, Mr. Porcaro has operated his firm, serving as principal in charge of all income tax and consulting for a wide variety of corporate and individual clients. He has earned the designation of Accredited in Business Valuation (ABV), the designation of Certified in Financial Forensics (CFF), Mr. Porcaro is the co-author of an annually updated business guide for limited liability corporations, has written numerous articles that have been published in various professional periodicals, and is routinely consulted by local media outlets for input on income tax and financial planning issues.

Mr. Porcaro is an active member of the Rhode Island Society of Certified Public Accountants, having previously served as the organization's President. He is a member of the American Institute of Certified Public Accountants, and is an officer in the Rhode Island Society of Financial Service Professionals and the Rhode Island Estate Planning Council.

Complementing his professional activities, Mr. Porcaro also serves as a Professor of Taxation at Bryant University. He has served on Bryant's faculty since 1990, developing and teaching various taxation courses for the Master's in Taxation program.

A resident of Cranston, Mr. Porcaro is a distinguished lecturer, author, and expert witness. He will serve as an invaluable advisor to the Thomas C. Slater Compassion Center.

## **6.4 Personnel Plan**

### **6.4.1 General Philosophy**

Because of its patient-focused mission, the Center will maintain a high staff-to-patient ratio in order to provide a consistent level of quality service. As patient numbers increase, the Center will adjust staffing to maintain this capability.

The Center has adopted a comprehensive staffing plan to guide recruitment, hiring, training and managing its employees. Highlights of the plan feature:

- Precise definition of responsibilities
- Clearly understood chains of authority
- Well paid, well qualified, well trained personnel
- High patient/staff ratio
- Professional recruiting practices
- Thorough training of new hires

### **6.4.2 Employee Handbook**

A comprehensive 33-page handbook provides information to guide employees' behavior and relationship with the Center (available for review upon request). The manual, which is furnished to all employees upon being hired, addresses:

Section 1: The Way We Work

Section 2: Your Pay and Progress

Section 3: Time Away From Work and Other Benefits

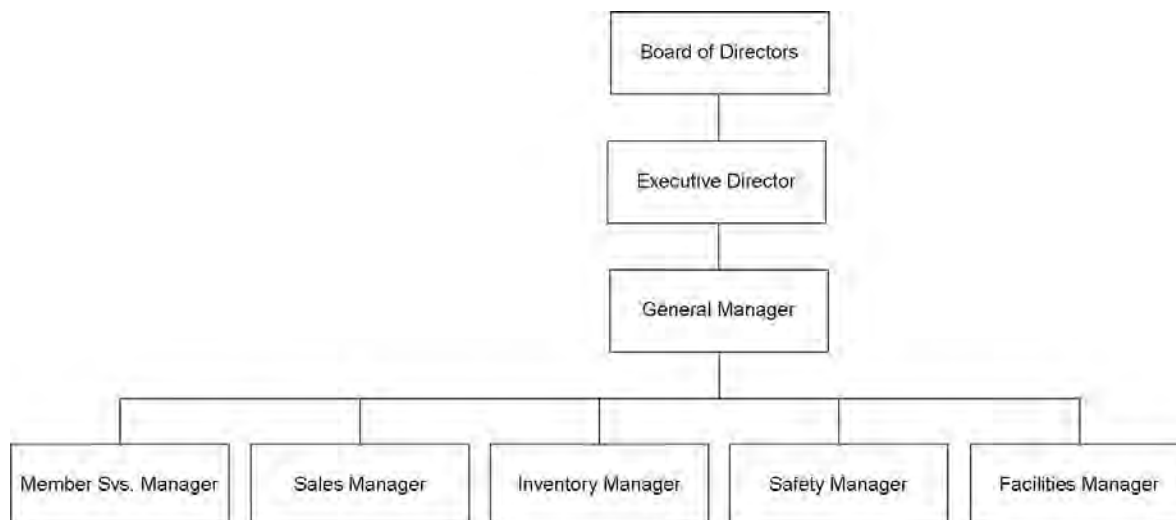
Section 4: On the Job (covers various aspects of conduct policy and procedures)

Section 5: Safety in the Workplace

### 6.4.3 Organization

The following chart shows how the Center's current management structure is organized.

**Chart: Organization**



### 6.4.4 Recruitment

The Center's recruiting efforts will be primarily directed at candidates with the following qualifications:

- Health-related educational/professional backgrounds
- Interest and aptitude for the healing arts
- Spotless criminal records
- Experience in restricted access retail venues

### 6.4.5 Training

Qualified candidates will be hired on a three-month probationary status. During this period, they will participate in a rigorous training process, and be evaluated for suitability in a restricted-access medical environment. Training will include the employee handbook, other reading materials, lectures by qualified professionals, hands-on training and quizzes. The program will consist of the following modules:

**Legal-** Legal training will cover all Rhode Island State and Federal laws relating to marijuana, and especially those related to medical cannabis. Legal obligations of licensed cannabis dispensaries will be emphasized. Other topics will include the rules and regulations of the dispensary, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of medical cannabis patients. Legal training will include at least one two-hour session with an attorney who is a practicing member of the state bar.



**Medical-** Medical training will include disabled rights and sensitivity, how to identify and interact with a patient having a medical emergency, the proper uses and benefits of medical cannabis, and an introduction to the other medical treatments offered by Thomas Slater Compassion Center.

**Sales-** As noted under Sales Strategy, staff will be trained in patient care—not retail sales. The focus will be on assisting patients in making appropriate decisions about how to choose the type of medicine which is right for them. Staff will be provided with ongoing training in product information as well as general service philosophy.

**Safety-** In addition to its focus on safety, security training will include acceptable currency identification and counterfeit detection, warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques and diversion detection techniques.

#### 6.4.6 Personnel

The Center plans to employ 27 full-time equivalent employees to staff the Center. Individual job descriptions have been developed for each position in the Center's organization. The purpose is to ensure that all personnel are clear about their role and responsibilities, and understand how their position contributes to the safe, efficient operation of the Center.

Management positions include the following:

- **Executive Director** - Oversee the entire dispensary operation and ensure that the Center successfully delivers on its mission and business objectives.
- **General Manager** - Organize and supervise day-to-day operations.
- **Inventory Manager** - Supervise the safe processing, retail packaging, acquisition, and inventory of new supplies of medicine.
- **Sales Manager** - Oversee retail package handling, display, dispensing and proper storage of medicine.
- **Safety Manager** - Monitor all areas of operations to ensure the safety of patients, staff, and neighbors; and compliance with all laws and regulations.
- **Member Services Manager** - Oversee the provision of all services related to member wellness and education, ensure that the dispensary maintains regulatory compliance and provide for effective patient advocacy procedures.
- develop and supervise the provision of services other than medical cannabis, and ensure that the Center is in
- **Facilities Manager** - Responsible for maintaining the image and functionality of the dispensary facility, approving all aesthetic changes to the dispensary (e.g. signage) and ensuring that all departments remain well supplied at all times.

#### 7.0 Financial Plan

##### 7.1 Important Assumptions

Because the Center does not yet have operational history, the assumptions used in the following financials represent management's best estimate. Projections have been formulated based on financial information for operational dispensaries in other areas as well as management's consultations with medical cannabis dispensary experts. Actual performance will vary.

Key assumptions used include the following:

- Patients will purchase two ounces of medicine per month. The average purchase will be approximately \$70.
- The Center will begin with an average of 550 patients in December, 2012, grow to 1,000 patients in 2013, and 1,500 in 2014.
- Forecasted financials are based primarily on the State's estimates of the Rhode Island patient population. Should actual demand be greater than this anticipated level, the Center will be able to scale up operations to meet increased volume.

**7.2 Projected Income Statement Years 1-3**

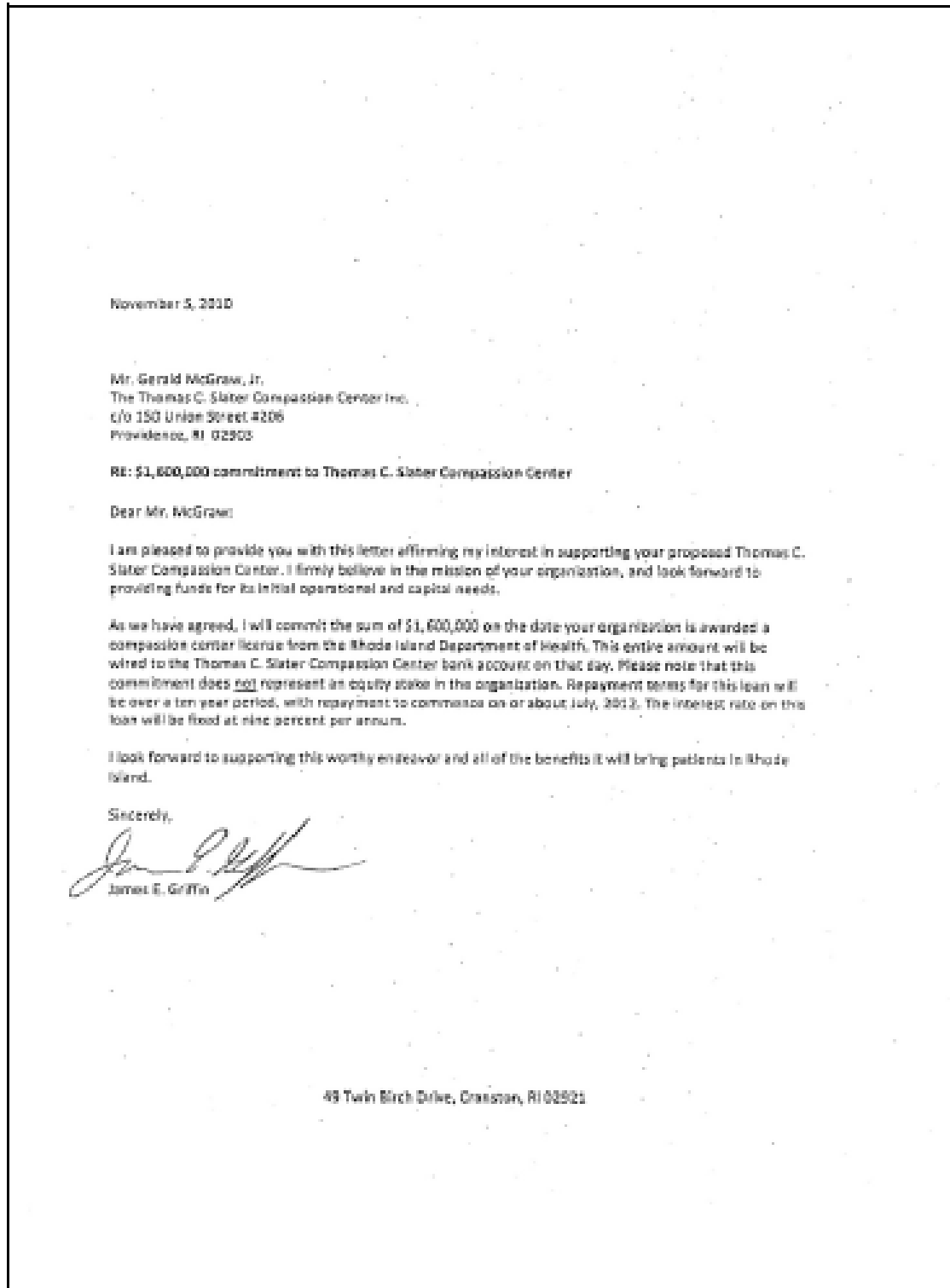
	Initial Six Month Ramp Up Period Dec. 2012 – May 2013	FIRST FULL FISCAL YEAR Jun. 2013 - May 2014	SECOND FULL FISCAL YEAR Jun. 2014 - May 2015
Revenue:			
Medical cannabis sales to registered qualifying patients	\$1,324,400.00	\$ 2,408,000.00	\$ 3,612,000.00
Other supplies sold to registered qualifying patients	\$ 132,440.00	\$ 240,800.00	\$ 361,200.00
Other revenue sources	-	-	-
<b>TOTAL REVENUE</b>	<b>\$1,456,840.00</b>	<b>\$ 2,648,800.00</b>	<b>\$ 3,973,200.00</b>
<b>EXPENSES</b>			
Payroll w/Fringes	\$ 291,120.00	\$ 1,029,600.00	\$ 1,580,800.00
Medical cannabis growing and processing	\$ 97,200.00	\$ 162,000.00	\$ 210,600.00
Supplies	\$ 3,913.00	\$ 11,923.00	\$ 15,600.00
Office Expenses	\$ 25,847.00	\$ 75,000.00	\$ 165,707.00
Utilities	\$ 28,800.00	\$ 64,400.00	\$ 74,060.00
Debt Services	-	\$ 131,371.00	\$ 262,744.00
Insurance	\$ 14,400.00	\$ 24,000.00	\$ 24,000.00
Depreciation/Amortization	\$ 29,380.00	\$ 70,513.00	\$ 70,513.00
Leasehold Expenses	\$ 73,333.00	\$ 176,000.00	\$ 176,000.00
Community Outreach Program Support	\$ 72,842.00	\$ 132,440.00	\$ 317,856.00
Security	\$ 434,375.00	\$ 868,750.00	\$ 868,750.00
<b>TOTAL EXPENSES:</b>	<b>\$1,071,210.00</b>	<b>\$ 2,745,997.00</b>	<b>\$ 3,766,630.00</b>
<b>Difference Before Income Taxes</b>	<b>\$ 385,630.00</b>	<b>\$ (97,197.00)</b>	<b>\$ 206,570.00</b>
Number of Patients:	550	1000	1500
Number of Visits:	2365	4300	6450

**7.3 Personnel Expense Years 1-2**

	Initial Six Month Ramp Up Period Dec. 2012 – May 2013		FIRST FULL FISCAL YEAR Jun. 2013 - May 2014		SECOND FULL FISCAL YEAR Jun. 2014 - May 2015	
PERSONNEL CATEGORY	# OF FTES	PAYROLL W/RONGES	# OF FTES	PAYROLL W/RONGES	# OF FTES	PAYROLL W/RONGES
Cultivatirs	6	\$ 96,000.00	6	\$ 249,600.00	8	\$ 332,800.00
Sales & operations	6	\$ 72,000.00	15	\$ 468,000.00	20	\$ 624,000.00
Adminisration	2	\$123,120.00	2	\$ 312,000.00	4	\$ 624,000.00
<b>TOTAL:</b>	14	\$291,120.00	23	\$1,029,600.00	32	\$1,580,800.00

## 8.0 Supplemental Documentation

### 8.1 Letters of Commitment to Fund Startup





Palmira G. Azevedo  
Vice President

One Citizens Plaza, RC0310  
Providence, RI 02903  
(401) 282-4743 Fax (401) 282-5311  
Palmira.Azevedo@Citizensbank.com

November 8, 2010

Thomas C. Slater Compassion Center

**Re: James E. Griffin, Jr.**

Dear Mr. McGraw:

This letter will serve as confirmation that James E. Griffin, Jr. has assets in excess of \$1.6 million held with Citizens Bank.

Should you have any questions or need additional information, please contact me directly at (401) 282-4743.

Sincerely,

A handwritten signature in dark ink, appearing to read "Palmira Azevedo".

Palmira G. Azevedo

The logo for RBS, featuring a stylized sunburst icon to the left of the text "RBS".

## 8.1 Sample Compassion Program Worksheet

Compassion Program Registration					
Name: _____			Date: _____		
Phone: (    ) _____ - _____ or Email _____					
Are you the single head of the household?      Yes      No					
# of family members household? _____					
Does the State of Rhode Island consider you to be disabled?      Yes      No (If you receive Supplementary Security Income or Social Security Disability benefits, you are considered Disabled by the state)					
Do you receive any of the following benefits (please check all that apply):					
SSI	SSDI	Food Stamps	TANF	Medicaid	Unemployment
If you do not qualify for any of these benefit programs, please indicate your monthly income here:					
\$ _____ (please attach your most recent paystub with this worksheet)					
Preferred Method(s) of consumption/use (circle all that apply)					
Vaporization	Smoking	Edibles	Pill	Topical Compress	Tinctures
Medicating Schedule: (circle all that apply)					
Morning	Afternoon	Evening	Other _____		
I attest that all statements are based on fact intended for establishing proof of need for assistance from Thomas C. Slater Compassion Center.					
Applicant Signature: _____			Date: _____		
Staff Notes: _____					
_____					
_____					
_____					
Reviewed by: _____			Date: _____		
PT#: _____					